

# **On the Rebound: The Alliance Faces New Tests**

The Fifth US-Japan Strategic Dialogue, February 2012

Brad Glosserman  
*Pacific Forum CSIS*

**June 2012**

---

This report is the product of a collaboration between Pacific Forum CSIS, Naval Postgraduate School Center on Contemporary Conflict, and the Defense Threat Reduction Agency.

The views expressed herein are those of the authors and do not necessarily reflect the official policy or position of the Naval Postgraduate School, the Defense Threat Reduction Agency, the Department of Defense, or the United States Government.

This report is approved for public release; distribution is unlimited.



**U.S. Naval Postgraduate School (NPS)  
Center on Contemporary Conflict (CCC)  
Project on Advanced Systems and Concepts for  
Countering WMD (PASCC)**

**Project Cost: \$144,900**

PASCC Report Number 2012 007

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE <b>JUN 2012</b>		2. REPORT TYPE		3. DATES COVERED <b>00-00-2012 to 00-00-2012</b>	
4. TITLE AND SUBTITLE <b>On the Rebound: The Alliance Faces New Tests</b>				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>Naval Postgraduate School (NPS),Center on Contemporary Conflict (CCC),1411 Cunningham Road,Monterey,CA,93943</b>				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release; distribution unlimited</b>					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT <b>Same as Report (SAR)</b>	18. NUMBER OF PAGES <b>34</b>	19a. NAME OF RESPONSIBLE PERSON
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>			

The Naval Postgraduate School Center on Contemporary Conflict is the research wing of the Department of National Security Affairs (NSA) and specializes in the study of international relations, security policy, and regional studies. One of the CCC's programs is the Project Advanced Systems and Concepts for Countering WMD (PASCC). PASCC operates as a program planning and implementation office, research center, and intellectual clearinghouse for the execution of analysis and future-oriented studies and dialogues for the Defense Threat Reduction Agency.

For further information, please contact:

**The Center on Contemporary Conflict**

Naval Postgraduate School  
1411 Cunningham Road  
Monterey, CA 93943

[ccc@nps.edu](mailto:ccc@nps.edu)

or

[OSRDInfo@dtra.mil](mailto:OSRDInfo@dtra.mil)

## **Pacific Forum CSIS**

Based in Honolulu, the Pacific Forum CSIS ([www.pacforum.org](http://www.pacforum.org)) operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, DC. The Forum's programs encompass current and emerging political, security, economic, business, and oceans policy issues through analysis and dialogue undertaken with the region's leaders in the academic, government, and corporate areas. Founded in 1975, it collaborates with a broad network of research institutes from around the Pacific Rim, drawing on Asian perspectives and disseminating project findings and recommendations to opinion leaders, governments, and members of the public throughout the region.

## Table of Contents

<b>On the Rebound: The Alliance Faces New Tests The Fifth US-Japan Strategic Dialogue</b>	<b>Page</b>
Key Findings .....	1
Conference Report .....	3
 <b><u>Appendices</u></b>	
Conference Agenda .....	A-1
Conference Participant List .....	B-1

## Key Findings

The Pacific Forum CSIS, with support from the Defense Threat Reduction Agency (DTRA), hosted the fifth US-Japan Strategic Dialogue in Maui, Feb. 6-7, 2012. Some 40 government officials, security specialists, and next-generation analysts participated in discussions that explored security perspectives and the regional balance of power, while focusing on extended deterrence in Northeast Asia. Key takeaways include:

- The US “pivot” to Asia is welcome, but there are fears that this strategy is unsustainable. Crises in other theaters, budget constraints, and changing political winds could force administrations to divert attention away from Asia.
- Participants identified the US forward military presence as the most important element of its Asia policy. Japanese participants called for new US-Japan Defense Guidelines, whose core element would affirm the significance of that presence on Japanese soil.
- Comfort with the current US Asia team is tempered by concerns that this may not be sustained in future US administrations.
- Japanese strategists are paying close attention to the AirSea Battle concept, but there is considerable confusion and uncertainty about its meaning, content, and implications. Some Japanese fear that the US is backing away from this strategy in the face of China’s development of A2AD capabilities. The classified nature of the strategy makes reassurance more difficult.
- Compared to previous dialogues, there was little discussion of the US marines or the Futenma Replacement Facility stalemate. Participants spoke of a “sense of fatigue” over this issue in Japan and in Washington.
- No Japanese participant voiced concern over the credibility of the US extended deterrent. Similarly, there was no discussion of Chinese nuclear capabilities.
- While Prime Minister Noda has restored some much needed stability to governance in Tokyo, his grip over his party and the government is not assured.
- The “twisted Diet” – in which different houses are controlled by different parties – highlights the importance of the government’s ability to change policy via regulations, rather than passing laws. Political and policy gridlock can be avoided.
- One tool of innovative Japanese foreign policy is Overseas Development Assistance (ODA). Tokyo hopes to use this to extend its influence in Southeast Asia and the Indian Ocean. Critical to this policy is loosening the arms exports principles: traditionally, the prospect of any military use of a facility meant that such funds could not be used for its construction. Last year’s change in arms exports principles should lift that bar.
- Last year’s concerns about the “transformative impact” on Japan of the March 11 triple catastrophe have not materialized. There was almost no discussion of that event or indications of its influence other than humanitarian implications.
- Japan is moving toward “a new normal” in defense policy – one that approximates other states – but that “normal” is restricted to defense of the homeland.

- Japanese recognize that opportunities for alliance cooperation are created by the intended reduction of the role of nuclear weapons in US defense policy. This elevates the importance of “alliance management.”
- Japanese strategists recognize that Japan must do more to prepare for low-level provocations and that responding to them is a Japanese – vice US – responsibility.
- Participants endorsed an in-depth US-Japan discussion of a new division of roles and missions among the allies, which would be reflected in a new set of US-Japan Defense Guidelines. The focus of this discussion would be responsibilities for responding to acts “in the middle” between low-level provocations and high-end conflict.
- There are still significant segments of the Japanese population who believe that the US will do all the fighting to defend the Japanese territory such as the Senkaku islands. Japanese strategists know that this position is untenable.
- Japanese strategists are cognizant of the difficulties they face in fostering “jointness” in military operations, in particular in defending southwestern islands. Tactical mobility is a key concern. Logistics is another critical shortcoming.
- Longstanding tensions in Japan-ROK relation continue to impede progress in this partnership, as well as US-Japan-ROK relations in Northeast Asia. While all believe this is a vital relationship, there is little optimism about prospects for improvement.
- Japanese are pleased with strengthened US-ROK relations and are not alarmed by their positive trajectory. It isn’t clear if these trends will be sustained after ROK elections in 2012.
- Deterrence did not fail in 2010 because extended deterrence cannot be expected to deter low-level provocations. It did ensure escalation control, however.
- Japanese participants see the alliance as a provider of public goods in East Asia, and would like other regional governments to have the same perspective. There is no agreement on how to achieve that, however.

## **Conference Report**

2011 was a good year for the US-Japan alliance. After several tumultuous years, the two countries regained their footing when responding to the March 11 triple catastrophe, moving forward with bilateral security planning on a variety of fronts. Futenma, the ever-present elephant in the room, remains a sore spot, but the two governments appear to have figured out how to put that perennial Okinawan base problem in its rightful place and focus on ways to make progress. Thus, by the time the Pacific Forum's fifth US-Japan Strategic Dialogue, was held on Feb. 5-7, 2012, a floor had been restored to the alliance and a positive trajectory was in place. This report reflects two days of candid discussions among some three dozen government officials and senior and next-generation security specialists from the two countries (all attending and speaking in their private capacities). We thank the Defense Threat Reduction Agency (DTRA) for its ongoing support of this process. While all participants have had the chance to comment on this draft, it is not a consensus document; it reflects the views of the chair alone.

### **Security Developments and Dynamics**

Part of the explanation for the improvement in the alliance relationship could be the convergence of security perspectives. As our presenters made clear, the two countries see regional and global developments through similar lenses. Our US speaker argued that the world is at an unprecedented inflection point, characterized by extreme levels of uncertainty, the most dangerous of which concern severe economic imbalances. The biggest imbalances are in Europe, but their impact is felt worldwide.

In the Asia-Pacific region, uncertainty is magnified by impending political changes. In Japan, the leadership of the ruling Democratic Party of Japan (DPJ) is "mellowing" and Prime Minister Noda Yoshihiko gets credit for restoring stability in the Kantei. His government has acknowledged the reality of Chinese pressure on Japanese national interests as well as the threat posed by North Korea. The country has rallied together to deal with the catastrophe of March 11. The US-Japan alliance has also been strengthened as a result of that tragedy: the quick and strong response confirmed the value of the alliance and the enduring US commitment to Japan's security and stability. Nevertheless, the failure to resolve the Futenma problem is a festering sore: "the alliance is one plane crash away from a serious crisis."

While events on the Korean Peninsula pose challenges, thus far they have been dealt with smoothly. While there were no doubts about the mortality of North Korean leader Kim Jong Il, his death in December was a surprise. The succession has thus far gone smoothly, with all the important institutions and individuals of the North Korean state lining up behind the new leader, Kim Jong Un. But the North's economy remains moribund. Hunger is widespread and the country is structurally unable to feed its own people. There has been no repeat of the provocations against South Korea, even though antagonism toward South Korean President Lee Myung Bak remains at poisonous levels. Our speaker speculated that the invective aims to influence South Korean voters in elections held in 2012. Meanwhile, the North remains committed to its goal of launching a bilateral dialogue with the US that marginalizes South Korea, even though Washington has firmly rejected that option. The US position is strengthened by Pyongyang's insistence on maintaining its nuclear arsenal. Our speaker – along with all other



participants – believes that the North will never give up its nuclear weapons. That position and the response it engenders contributes to the “hostile intent” that Pyongyang then uses to justify its possession of those weapons, as well as the “songun” – military first – policy that guides decision-making. It also ensures North Korean isolation and blocks development of the economy – making possession of those weapons more pressing still.

China is entering a leadership transition but if names change, their thinking will not. Top decision-makers will continue to be conservative, risk averse, and focused on domestic matters. Topping that list of concerns is economic policy, which will remain conflicted by the need to depress the value of the RMB to support employment and the international trade frictions produced as a result. Nationalism is ever present, and it is being inflated by the internet and social media. All the while the PLA budget continues to grow. Beijing’s support for the DPRK, Iran, and Pakistan creates additional friction with other diplomatic partners; it also produces the instability that China says it abhors.

The victory of President Ma Ying-jeou in Taiwan has promoted stability in cross-strait relations, tamping down a potential regional flashpoint. Current political and economic trajectories are likely to continue, and the island economy is becoming ever more linked to that of the mainland.

Tensions in the South China Sea have abated as Beijing’s “over-reaction” to the pushback of other claimants has moderated. The sea remains a potential source of conflict and US involvement is problematic. But the imbroglio has reminded regional governments of the value of the US presence. Our speaker speculated that the reduction in tensions could also be linked to policy shifts in Myanmar and the prospect of a geopolitical shift there.

Our speaker concluded with comments about the US “pivot” to Asia, pointing out, as have many others, that the US never actually left the region. He conceded that the wars in Southwest Asia were a distraction, however. The new policy reflects a rebalancing of US interests and equities globally and recognition of the need to adjust policy after early hopes for partnership with China were disappointed.

Our Japanese speaker focused on the political transitions that are occurring in the region and worried that they are likely to stimulate nationalism and conservatism. His view of North Korea mirrored that of the first speaker, but he questioned the sustainability of the current balance of power in Pyongyang with a young untested leader in office. Since no one seeks a collapse, the status quo seems to be the default scenario. Nonetheless, he urged governments to begin contingency planning for crises.

He too sees China as the most important issue for the region, noting that a confluence of events in that country could create trouble more widely. The first concern is the prospect of an economic slowdown, which could trigger unrest in the country as well as ripple throughout the global economy and push the world toward a new recession. The prospect of an economic slowdown will focus the leadership’s attention, particularly as a new cadre comes to power. This group will be forced to focus on its domestic power base, a perspective that could fan the flames of nationalism.

Our speaker also noted that a China that glides through the transition without incident could be equally troubling. Excessive confidence can be as destabilizing as insecurity. Neighboring states are worried about long-term Chinese intentions; our Japanese speaker anticipates that Beijing will seek regional hegemony. (And even if it doesn't, he fears new competition throughout the global commons as a newly empowered China both flexes its muscles and fends off demands to do more to help govern these domains.)

In Southeast Asia, Japan, like the US, worries about maritime boundary disputes and their potential to trigger conflict. While several of these countries fear an overbearing China, they are not committed to the US alliance structure. They seek stability through a balance of power; they do not want to be forced to choose between Washington and Beijing. Like our US speaker, our Japanese presenter sees Myanmar as the harbinger of broader regional shifts.

Developments in South Korea are always of interest to Japan. The elections in 2012, with the prospect of a return to power of the progressive left, could have a considerable impact on Northeast Asian security. The victory of the "protest candidate" in the Seoul mayoral ballot suggests change is afoot. Japanese are also closely watching the US-ROK nuclear cooperation agreement negotiations.

Turning to the US-Japan alliance, our speaker characterized the mood as one of "fading optimism," noting that the political environment in Okinawa is getting more difficult and the failure to make progress on the base relocation dispute threatens to poison alliance relations more generally. He backed the decision to decouple the transfer of US Marines from the island from relocating the Futenma Air Station, but that merely buys time. The most important issue, for our speaker, is the need for a serious discussion of Japan's role within the alliance. Unfortunately, political fragility in Japan precludes a forthright discussion and consideration of real, if unpopular, alternatives.

Finally, our speaker took up "the pivot." While crediting the US for focusing on Asia, he worried that a "shift" to Asia creates uncertainties in the Middle East, an area of ongoing strategic concern for Japan and the US. Iran continues to be a trouble spot. Japan reluctantly supports sanctions against Tehran (reluctant not because it is unconcerned about proliferation but because of its need for Iranian oil), but the fear that China will ignore such initiatives means that Tokyo will have sacrificed for nothing.

Most of the discussion focused on the meaning of the "pivot" to Asia. All participants applauded the focus on Asia, even as they expressed doubt about the choice of that particular word – while understanding the political realities that may have forced it on the administration – and voiced concern about the budget parameters that will shape strategic choices. In revealing language, almost all Japanese participants referred to the "austerity" that influences US decisions. Participants from both countries noted that force levels are returning to pre-Sept. 11 days; one Japanese speaker called it a "return to normalcy." A US participant countered that even returning to normal, army and marine force levels will remain larger than they were in 2011; US forces are just no longer being sized for "long-term stability operations." More significantly,

despite cuts, the US is retaining “trainers of trainers,” so skills won’t be lost and a ramp-up of personnel is possible when needed.

Significantly, participants from both countries acknowledged that a new strategic and budget environment requires US allies to step up to fill emerging gaps in roles and missions. One Japanese participant argued that the US assumes active Japanese cooperation as the cornerstone of its “return to Asia.” Japanese participants questioned whether their government could provide the leadership needed to take up this challenge.

Several speakers reminded the group to conceptualize the “pivot” broadly: a focus on the military misses a considerable element of the strategy. Equally important are economic initiatives and diplomatic programs that demonstrate US commitment.

Iran was the one extra-regional concern upon which participants focused. Japanese were plainly concerned about how the US would respond to a Middle East crisis. This is one of the unintended side effects of the talk of a pivot: allies worry that the US is not paying sufficient attention to another region of strategic concern. The US and Japanese governments are well aware of its significance: it is estimated that the closure of the Strait of Hormuz would create a 14 million barrel per day net shortfall in oil supplies. The two governments are reportedly discussing contingencies.

### **The Strategic Balance in Asia**

Our second session took up a distinct dimension of the security equation in East Asia, namely the strategic balance in the region. Our US presenter suggested that the title incorporated linguistic legerdemain since, for him (and many others), “strategic means China.” While that may be something of an exaggeration, strategic discussions often reduce to a measurement of the balance of power between the US and China and their relationship.

Our speaker outlined a series of developments that all appeared to be responses to Beijing’s muscular diplomacy of 2010. Economic and regional “architectural” initiatives ranging from the Korea-US Free Trade Agreement (KORUS) to the East Asian Summit help forge institutional links between the US and regional partners that aim to overcome the distance that separates the US from Asia as well as counter the growing tug of China’s economy. The deployment to and continuing rotation of marines through Darwin, Australia are an attempt to diversify and consolidate the US forward presence in the region. Regional governments such as Vietnam and the Philippines have become increasingly vocal in response to perceived heavy-handedness by Beijing in the South China Sea. It is yet unclear what impact the death of Kim Jung Il will have on the regional balance of power but his passing is sure to pose questions for Beijing.

The strategic balance in traditional terms – i.e., the nuclear balance – is relatively unchanged. China continues to modernize its arsenal and there are worries about a sprint to parity if the US continues to reduce its nuclear arsenal. A bigger concern is China’s anti-access/area denial (A2AD) program, which threatens US forward deployments and could neutralize the considerable US advantage in conventional weaponry. AirSea Battle (ASB), the

US response to A2AD, remains opaque to most Americans, friends, allies, and adversaries. Our Japanese interlocutors in particular sought a clearer understanding of the concept and its implications.

An important factor when assessing the regional balance is Japan. As a key US ally and partner, Japan has the potential to put significant weight on the US side of the scale. Our speaker noted that there are lingering questions about the country's capabilities and commitment in the aftermath of the Fukushima triple tragedy. He also noted a (positive) fundamental shift in how Japan talks about China; in the past, North Korea was "the acceptable enemy" and often discussion of a North Korean threat was in fact talk about China. Now, there is a more open and honest discussion of China.

Again, a speaker concluded with thoughts about the "pivot." He stressed that a strategic assessment shouldn't focus only on hard security concerns. Rather, he urged the group to see the essence of the pivot as an integrated, comprehensive approach to US commitments and priorities in the region, using the KORUS ratification as an example. KORUS is much more than a trade agreement – and the proof is in the counter example. A US failure to complete the deal would have undermined a core component of regional engagement and tarnished a symbol of US commitment to the region. This is the perspective the US and its allies should use when evaluating US policy toward East Asia.

Our Japanese presenter took a more conventional approach, noting that a balance of power presumes two camps – in this case, the US and China. He concluded that the current balance still favors the US, but it is losing its preponderance. (He also reminded the group to not forget allies when "weighing" the US.) From his vantage point, Southeast Asian nations are navigating between the two giants. He urged the US to exploit the opportunity afforded by political dynamics in Myanmar and recognize that government to win its favor in the battle for influence in the subregion.

He dismissed the Six-Party Talks as paralyzed and warned about the growing capacity of cyber capabilities to influence strategic relations. He urged the US to provide more clarity to its AirSea Battle concept. He observed that there is a growing threat to Okinawa itself by China – pointing to Chinese references to Okinawa as the Ryukus (implying an irredentist claim) and noting that the Chinese have been buying land near Futenma.

The group weighed the two protagonists. While noting that the US remains the preponderant power in the region by just about every metric, a US participant explained how the US is being weakened – by its own actions. Political paralysis, the inability to get its economic house in order, a seeming reluctance to be bound by international law – all have undermined US leadership and promoted the image of a country that has seen its apogee. In fact, the US is a more resilient power than it is often given credit. A Japanese participant echoed this logic, noting that Japan's position in the region is often undermined by a perception of weakness or irrelevance that is at odds with reality: perceptions create their own reality. Another US participant noted that the much-vaunted Chinese gains associated with its A2AD program are exaggerated. While the ASB initiative remains opaque – blame classification of the program and poor communications – the US remains able to project power in the region.

Reassurance is critical. Talk of a loss of US power and influence creates and reinforces that reality. The US and its allies must counter the narrative of a shift in the regional balance of power. Of course, words can't substitute for action but the West must ensure that the prevailing narrative tells its story and doesn't contribute to a perception of weakness.

Yet another US participant likened China to the Wizard of Oz: casting a large shadow from behind a screen that hides its own, considerably diminished, reality. Where, he asked, has the US actually lost in the competition with China? A Japanese participant countered that China may not in fact seek balance. Having learned the lessons of the Cold War, it will not try to keep pace with the US but will instead be content with the capacity to nullify US advantages in key areas. Another Japanese added that balancing is best understood as a strategy to narrow Chinese options; if so, how does the US define a "favorable" balance of power? More to the point, he wondered what role US allies will play in this approach. A US participant countered that there is no existing balance of power – if defined as two equal "balancing" forces – and the US is working to prevent a balance from emerging.

A key domain of this new competition is cyberspace. Information technologies are integral components of the new strategic competition, whether as elements of the strategic infrastructure (satellites and other command and control components) or the national infrastructure. Yet cyberspace is fundamentally different from physical space – problems of attribution make deterrence problematic. It isn't clear if there is a balance of power in cyberspace – nor even what constellation of forces is sufficient to ensure stability in this domain. One participant urged the conference organizers to take up this topic (and that of space) in future meetings. Another Japanese participant said that the US and Japan (along with other US allies) are cognizant of the risks posed by cyber-threats and are working to address them. A code of conduct is being developed.

## **Domestic Politics**

As noted in the previous discussion, domestic politics has a profound impact on the alliance. Our US speaker noted that the alliance itself is highly politicized in Japan, in contrast to the US, where the bilateral relationship enjoys considerable bipartisan support. Paradoxically, events in Tokyo have a greater impact on US thinking about the alliance. The proof of this counter-intuitive proposition is how political transitions in the US underscore the continuity in the relationship, while those in Tokyo invariably emphasize change.

To some degree, this reflects the politicization of Japanese decision-making on important foreign policy issues. Japanese view the Trans-Pacific Partnership (TPP) not as an economic agreement, but as a tool by which the US can exert leverage over Japan. Similarly, the Futenma debate is not about strategic issues but local politics in Okinawa. In contrast, changes in US policy have an indirect impact on the alliance – the specter of US budget cuts is one example (although the potential impact could be profound).

Our US speaker believes the Noda government and DPJ rule in general remains fragile (a view that our Japanese participants generally shared). The party lacks solidity – it is an

aggregation of factions – and public approval ratings remain low. The opposition Liberal Democratic Party (LDP) still seeks to force general elections in the spring. The view in Washington is that the Noda administration is a capable partner, but there are doubts about its sustainability. Japan is back on track but questions remain about Tokyo's ability to deliver on commitments it makes. Japan watchers see "the emergence of a new normal in Japanese security policy": the country is playing a larger role in the defense of the homeland, but our speaker cautioned that these changes are tied strictly to Japan's ability to defend itself, not to project forces or play a larger regional or global role.

Looking ahead to the US election, our speaker anticipates continuity in US foreign policy. He puts Mitt Romney, the likely GOP nominee, in the US foreign policy mainstream. As a result, changes currently in place – yes, the "pivot" once again – will continue regardless of the US administration. Ultimately, however, he argued that US credibility depends on convincing allies that defense cuts don't equate with reduced defense commitments in the region. This can be done but it requires careful messaging.

Supporters of the alliance can take heart from a recent poll from the Prime Minister's Office that shows 85 percent of Japanese have a positive view of the relationship: Still, a Yomiuri/Gallup survey indicates that only 35 percent feel the relationship is "strong and positive"; 49 percent say that it is in a "bad state"; more than three quarters (79 percent) of the 49 percent blame the imbroglio over the Futenma Replacement Facility (FRF) for that sad state of affairs.

Our Japanese presenter drilled into the AirSea Battle concept, calling for clarity and more explanation from the US. He worried that opacity will breed insecurity in US allies and perhaps inspire potential adversaries to be overconfident. He asserted that ASB has been presented as a symbol of the US power projection capabilities in Asia. If so, then the silence that has arisen since its introduction suggests that US capability is being diminished. Chinese commentators have asserted that the silence means the US has abandoned the concept.

Our speaker also worried that the focus of US concern about Chinese capabilities – anti-access/area denial – is not shared by Japanese planners. After all, since it is geographically located in the region, Japan can't be "denied access." The absence of any mention of A2AD in Japan's new National Defense Program Guidelines is exhibit A in his catalogue of complaints. He urged the US to publish a public unclassified copy of the ASB statement and to produce – as has long been promised – a new East Asia Strategy Report.

Apart from that trouble spot, he applauded the agreement – made just prior to our meeting – that the US and Japan would delink the rest of the roadmap to the relocation of FRF. While this breaks the logjam on the consolidation process, there is some concern that it could be viewed as the US walking away from the agreement, with a concomitant shift in the US commitment to Japan's defense. (That isn't necessarily the case, but it could be perceived as such.) It isn't clear whether China will see the deal as positive – the allies are capable of overcoming a long stalemate – or a sign of faltering commitment.

Our discussion went back and forth over the ASB concept and the confusion that marks its content and purpose. While participants agreed that a lack of specificity can be helpful – ambiguity has long been a staple of the US diplomatic and military toolbox – that principle can be taken too far. At a minimum, some clarity is needed to reassure allies and focus adversaries.

Subsequent discussion focused on Japan, and three questions in particular. The first addressed the DPJ government and its security orientation. The consensus view was that the DPJ has returned to the security mainstream and is now pursuing policies consistent with its LDP predecessors. Several participants argued that there is an opportunity for Japan to push forward with long-hoped for security policy revisions as the LDP could not oppose policies that it had supported in the past. Examples included the revision of the three arms export principles – now allowed to permit collaboration with the US on missile defense – and joint exercises by the SDF to address island contingencies. While the “twisted” Diet will make legislating difficult, the government could make changes via regulation rather than laws. Change is possible.

Several participants cautioned against excessive optimism. The DPJ (like the LDP, but more so) remains a coalition of disparate views and is not internally cohesive or consistent. As one Japanese participant explained, the party’s DNA “imposes limits on decision making.” It is consensus based and there is no mechanism to force party members to toe the government line.

A second, related question addressed changes in Japan after March 11. In the aftermath of the triple tragedy, some believed that the scale of the disaster would force change on Japan. The extraordinary performance of the Self-Defense Forces in responding to the catastrophe would help change the views of ordinary Japanese toward that institution. In fact, there has been little substantive change. Favorable views of the SDF have increased, but there is no inclination to change its mission or role.

Several speakers warned that the response to March 11 has bred cynicism toward politics. The public more openly questions the quality of its political leadership and its regulatory culture. (There is a new inclination to seek outside sources of expertise, however.) In addition, the cost of repairing the damage tightens already burdensome fiscal restraints. A US participant warned that the US should guard against excessive optimism after the outstanding SDF performance and the accolades showered upon the US military for its contributions. The alliance remains subject to many of its longstanding restrictions and limitations.

In this context, it was remarkable how little time we spent discussing the Futenma imbroglio during our meeting. Some of the air in that balloon may have been deflated by the announcement of the decoupling of the FRF move and implementation of the roadmap; fatigue among participants and the recognition that we had little to contribute to a resolution of that sore were likely also factors. But there was agreement that the two countries can’t permit the security relationship to be reduced to the FRF debate. A US participant warned that FRF is more than just a base problem. The divergence in viewpoints isn’t just a difference of opinion about the roadmap, but symbolizes a divergence in thinking about Japan’s national defense and military strategy in East Asia.

Our Japanese participants laid out areas of future collaboration. One area to watch is Overseas Development Assistance (ODA) – Japan hopes to make more flexible use of that diplomatic tool in an attempt to extend its influence in Southeast Asia and the Indian Ocean, which requires loosening the arms exports principles, as was done last year. US participants remain concerned about the dwindling Japanese defense budget: it has decreased more than 5 percent since 2001, with the procurement budget plunging 20 percent. Rising national debt and a graying population will tighten budget pressures. In response a Japanese participant noted a strong yen helps compensate for procurement drops, while another colleague pointed out that the FY13 ODA budget will increase for the first time in six years.

### **Assessments and Implications of Deterrence Policy**

From the political, we turned to the operational. Our Japanese speaker provided a framework to understand Japanese defense policy. Key is recognizing that the focus of that policy has shifted from deterring an invasion of the homeland to discouraging Chinese adventurism. This is a more subtle challenge and encompasses a wider and more dynamic variety of threats. In response, Japan has articulated the concept of “dynamic deterrence.” Our speaker noted that the dynamic defense force concept reflects an evolution of Japanese defense policy over 15-16 years. The 1995 and 2004 NDPG provide parameters for its application: it will be used in a “wide range of situations” and demands a “multifunctional elastic, flexible, ready defense force.”

In practical terms, Japan will play a larger role in the defense of Japan without dramatically increasing its defense budget. This objective will be obtained by a greater reliance on ‘jointness,’ and the development of C4ISR capabilities, missile defense, and a better logistics process.

A core element of the new deterrence construct is cybersecurity. This topic has assumed increasing urgency even though neither the US nor Japan is clear about its place in the overall security discussion. Deterrence in cyberspace poses distinct problems, many of which are well known. They include attribution issues (ascertaining with certainty where an attack originated), proportionality, and cross-domain issues (the impact a cyberattack has on other areas, such as traditional security, infrastructure, space, etc). For Japan, cybersecurity poses even more fundamental questions: it is unclear if a cyberattack even qualifies as an “armed attack against Japan” that would legitimize use of the SDF in response.

In addition to these issues, dynamic defense raises other more ‘prosaic’ concerns. Our speaker identified, for example, Japan’s lack of experience in operating jointly. The SDF has just a decade of experience in conducting joint operations and its capabilities are untested. The role and responsibility of the chair of the joint chiefs of staff is another question, since it isn’t clear if he will serve as a military advisor to the prime minister or an operational commander. Logistics remain substandard. And as previously noted, the defense budget is likely to remain flat; the squeeze will become even tighter when the Air Self-Defense Force begins purchases of the F35 fighter. Finally, there are the uncertainties about Japan’s role in the ASB operational concept.

Our US presenter went straight to the primary document for US nuclear strategy, namely the Nuclear Posture Review (NPR) that was published in 2010. The key elements of the NPR



include preventing nuclear proliferation and terrorism; reducing the role of nuclear weapons in US security strategy; maintaining deterrence and stability; strengthening regional deterrence and reassuring allies, and maintaining a safe and secure nuclear arsenal. The US continues to implement policies that achieve those objectives.

A year ago (Feb. 5, 2011 to be exact), the New START treaty entered into force. The terms of the agreement (along with other US strategic objectives) are pushing the US to study a new force structure that will ensure the ability to maintain US defense and security objectives in light of the cuts it requires. While most strategists welcome the progress embodied in the New START deal, future arms control with the Russians will be difficult. Blame the top agenda item for the US – tactical nuclear weapons, a tricky topic that has thus far escaped inclusion in such negotiations – or the continuing disagreement over missile defense, which the Russians insist on limiting while Americans equally vociferously demand freedom of maneuver.

Meanwhile, the administration has developed its New Defense Guidance, which (as the name suggests) guides defense planning and procurement. This document is consistent with the NPR and President Obama's Prague speech, a landmark declaration of US intent to proceed down the path toward nuclear zero. Our speaker noted that the guidance only mentions nuclear weapons once, but highlighted the awareness of the need to reassure US allies that their defense can be secured with fewer nuclear weapons.

The strategic review of the nuclear posture, which takes on such issues as targeting, is still under way. This top secret document is regularly reviewed and won't generate much news, both because it is classified and its details are irrelevant for most audiences.

The next official indication of US intentions will be the budget, scheduled to be released Feb. 13, the week after our meeting. Our speaker explained that there is "a pretty good bipartisan consensus on the need to reinvigorate the nuclear infrastructure and fund the nuclear triad." The follow-on nuclear-armed SSBN scheduled to be in service in 2029 may slip a few years, "but that isn't really a big deal." Work will continue on a follow-on bomber with air-launched cruise missiles and a long-range standoff cruise missile; another long-range standoff missile, both conventional and nuclear, is also likely to emerge. Assessing the entire program, our speaker's conclusion should reassure allies: "it is hard to see a scenario in which the US doesn't have a strong and secure nuclear force and infrastructure."

A related issue is the development of a Conventional Prompt Global Strike (CPGS) capability. This is identified in the National Defense Guidance. While questions continue to swirl around this program, it is intended to show the US commitment to the ability to project power around the world.

Finally, our speaker offered thoughts about defense cuts and the austerity theme that dominated the first discussion. Even with \$259 billion in cuts, the US defense budget will still exceed \$500 billion and is scheduled to increase annually from 2013-2017. Accounting for inflation, the budget remains "more or less flat." Our speaker noted that only in the US could a \$500 billion defense package be called 'an austerity budget.'

Discussion in this session was dominated by questions, of which we had far more than answers. They did reveal, however, concern about how each country would operationalize its policy. Japanese probed how ASB would be developed and the degree to which it might utilize nuclear capabilities. A US participant said it wasn't yet clear, but indications that dual-purpose systems would be included suggest there is likely to be a nuclear dimension to it.

Most questions focused on Japanese capabilities and the changes that would be required to make dynamic deterrence real. Participants from both countries highlighted the need for Japan to develop amphibious capabilities and make bases mobile; the latter capability is especially important if Japan is to develop a capacity for HADR missions. One Japanese participant noted that Japan is "very serious" about improving tactical mobility, pointing to exercises at Camp Pendleton and the development of a regiment to handle a southwest island contingency. Several Japanese participants urged the group to keep an eye on Japanese defense spending, noting that it is slowly aligning with professed defense priorities. The next two Mid-Term Defense Programs should provide indicators of Japanese priorities and focus.

Finally, one Japanese participant asked if the Japanese were actually able to offer a firm deterrent, since the concept demands a commitment to retaliation and "the Japanese are psychologically disinclined to retaliation." Odd though that argument may sound, another Japanese participant gave it credence, agreeing that retaliation is not a Japanese instinct, but says there is room for the development of such a capability. It is probably too soon for Japan to claim to have a deterrent, however.

## **Extended Deterrence**

That last thread provided a useful segue into our discussion of extended deterrence. Our US presenter began by reiterating the distinction between extended deterrence and extended nuclear deterrence, and the differences between deterrence by denial and by punishment. A credible extended deterrent is based on a workable sharing of burdens: in this case, Japan is expected to defend itself and Tokyo has largely been able to do that. It can handle most contingencies that concern defense of the homeland. Our speaker pointed to Japan's participation in ballistic missile defense as another indication of its commitment to defend itself. For its part, the US will project power and take the fight to an adversary. While it is traditionally Japan that has been faulted for not doing its part, today it is US capability that is increasingly questioned – the NDPG openly challenges the US capacity to project power. (The problem isn't the US defense budget, but rising Chinese capabilities.) As a result, the entire issue of roles and missions needs to be addressed in a new strategic setting.

Our speaker noted, however, that this is an issue for extended deterrence, not extended nuclear deterrence. As such, it raises basic questions about the ability of the US to utilize CPGS as a substitute for nuclear weapons. "Perversely," then, "A2AD has the effect of making extended nuclear deterrence much more credible in the eyes of Japan."

Here again, our speaker took up the question of cyber-security and the role it plays in ensuring deterrence. He too noted the need to distinguish among types of cyber-threats and the

difficulty of drawing sharp lines among them. As in previous discussion, he underscored the attribution problem and the centrality of its resolution to any effective deterrent in cyberspace.

Finally, our speaker warned that it appears as though North Korea's nuclear weapons seem to be deterring the US. He worries that the ROK is increasingly frustrated by its inability to stop North Korean provocation and its new defense strategy risks an escalatory spiral. This poses considerable dangers for the US and needs to be the focus of discussion and planning.

Our Japanese speaker covered many of the same issues but from the perspective of the country nestled under the extended nuclear umbrella. For him, reassurance of allies is as important as deterrence of adversaries. To that end, he applauded the readiness of the US to engage and consult with Japan during the promulgation of the 2010 Nuclear Posture Review.

For Japanese, the most important issue is the linkage between the US extended deterrent and low-level provocations, in particular, what Japan can do to strengthen that connection and ensure that there are no gaps. He argued that Japan should take on additional responsibilities for its own defense to respond to such provocations. If correct, this analysis has profound implications for bilateral relations, because it means that key to extended deterrence after the Nuclear Posture Review is alliance management.

Japanese strategists understand US policy and thinking. They grasp that the role of nuclear weapons in US defense strategy is being significantly de-emphasized, but they still play an important role. Both the US and Japan must remain prepared for both escalation from conventional to nuclear warfighting and a nuclear attack.

Our speaker believes that both extended deterrence and extended nuclear deterrence remain effective and dissuade North Korea from launching a full-scale attack. This is the primary objective. Extended deterrence cannot, and is not designed to, prevent isolated incidents and low-level provocations. Given that this is the case, the US and ROK must redouble efforts to convince Pyongyang that it will respond to provocations. Fortunately, escalation control remains in place and, following the strong stand taken after the 2010 provocations, the North seems to have gotten the message that future hostile acts will be met with a firm (military) response.

Turning to China, Japanese are acutely sensitive to talk of "strategic stability" in the US-China relationship. Japanese (and Chinese) seek clarity about the meaning for the US of this phrase. This has been a longstanding concern of Japanese participants in this dialogue and the prospect of strategic stability and regional instability (the stability-instability paradox) worries defense planners in Tokyo. The US needs to explain to Japan how it will deal with small and medium-level aggression by China. This concern makes sense in light of ongoing skirmishes over the Senkaku islands within the overall context of China's increasing A2AD capabilities and diminishing Japanese credibility. There are still significant segments of the Japanese population who believe that the US will do all the fighting to defend Japanese territory such as the Senkaku islands. Japanese strategists know that position is untenable.

Looking ahead, our Japanese speaker called on Japan to increase its own defense capability. That wish list includes the means to shift the air and sea balance vs China (evident in

purchases of F35 aircraft and Aegis platforms, along with the development of antisubmarine warfare capabilities, ASW), enhanced BMD capabilities, better capability to defend southwest islands (which demands more ISR, and ways to enhance the local military advantage against China in the early stage of warfare). Furthermore, he called for revision of the 1997 Defense Guidelines in regard to the bilateral division of labor. The most important element of this new program is reconfirmation of the critical role played by the forward deployment of US forces on Japanese soil. This goes well beyond the current debate over the FRF (although that is surely part of it); it includes the promotion of resilience of US bases, hardening assets, and ensuring that they will recover after an attack. In addition, the US and Japan should enhance cooperation to sustain US strike power in the Western Pacific and Indian Ocean. This demands a more dispersed and active Japanese diplomacy along with efforts to help build capacity in littoral Southeast Asia.

As always, much of our discussion focused on the levels of clarity required to make extended deterrence work. While allies seek definition to be assured that they and the US share concerns and perspective, participants from both countries appreciated the need for sufficient ambiguity to afford the US flexibility and keep adversaries uncertain about ‘acceptable’ provocations. This creates a slew of troubles, not least of which is the fact that it makes difficult an assessment of the efficacy of the deterrent. And absent an understanding of what does and doesn’t work – what has and hasn’t been deterred; a problem that is even more vexing in cyberspace – it is difficult to plan, invest, and divide responsibility among partners. For example, the near universal conclusion after March 11 was the US response to that catastrophe solidified the deterrent. Yet few analysts would have anticipated that a tragedy of this type and magnitude would have such an effect.

For the first time since we have held this dialogue, Japanese participants expressed no doubt about the US extended deterrent. Credit both the response to March 11 and the recognition of the need for express reassurance of Japan, as evidenced by ongoing consultations with Japanese policy makers and experts at the official level and meetings such as this dialogue. As one Japanese participant noted, “the fact that the US is ready to spend 90 minutes talking about these issues with us makes me feel OK.” There was one caveat to this warm, fuzzy feeling, however: a Japanese participant noted that a basic assumption of Japan’s nonnuclear policy is a similar refusal by other states to forego their own nuclear arsenals. In other words, erosion of the nonproliferation regime creates a downward spiral that could topple nuclear dominoes. So, while Americans frequently credit the extended deterrent for also being a nonproliferation measure, that role is contingent on other nonproliferation mechanisms.

But if Japan feels reassured, there is less certainty about whether adversaries are deterred. One particular area of concern is “the middle” between low-level provocations and high-intensity conflict. As one US participant noted, ultimately deterrence is quite primitive – the promise of unacceptable pain and punishment. That threat isn’t very credible at lower levels of conflict. Thus, the appropriate focus in Northeast Asia isn’t deterrence but escalation control – and all parties must know that extended nuclear deterrence is at the end of the escalation ladder.

This has two implications. First, it demands, as our speakers noted, a reworking of roles and missions to provide certainty to allies and adversaries that the alliance is prepared to respond

to all contingencies. To this end, participants endorsed an in-depth US-Japan discussion of a new division of roles and missions among the allies, which would be reflected in a new set of US-Japan Defense Guidelines. The focus of this discussion would be responsibilities for responding to acts “in the middle” between low-level provocations and high-end conflict.

This will in turn require Japan to prioritize its regional threats. A Japanese participant suggested that North Korea would top the list as a “real and actual threat,” while China would be second, as it is more of a theoretical threat. (Even so, signaling to China should be a top concern of allied planners.) Another Japanese participant recommended using the “Nixon Doctrine” as a guide to what would work when apportioning new responsibilities; he concluded that it is up to Japan to handle the low-level stuff and Tokyo must expand its capacity to do so. One of the most pressing missions is the creation of a surveillance network that provides complete domain awareness.

This uncertainty would seem to validate the call for “tailored deterrence” that is structured to fit particular circumstances and settings. Unfortunately, part of that discussion demands details about responses that the US has historically – and with good reason – been unwilling to share. On the other end, the signal must be carefully crafted to impact the target audience. Several participants expressed doubt about the US capacity to “get inside the head” of potential adversaries and develop the right message to shape their calculations. For example, one participant suggested that the US may not have deterred a North Korean invasion of the ROK in recent decades because Pyongyang may not have actually harbored a desire – vice a dream – to unify the peninsula.

Finally, considerable time was spent discussing conventional prompt global strike. Again, the “primitive” nature of deterrence – exacting unacceptable punishment – was a factor. One US participant was dismissive, asserting that it is hard to see how a 500-lb bomb will deter anyone; using it as a pre-emptive tool is another matter, however. Another US participant was “struck” by the argument that CPGS offers little to deterrence, insisting that it remains a critical escalation option even if it is intended for a narrow range of contingencies.

## **Regional Contingencies**

The sixth session focused on how the US, Japan, and the alliance should think about regional contingencies, in particular a crisis on the Korean Peninsula. Our US presenter highlighted – ironically given the preceding discussion – rising doubts among allies about the credibility of the US commitment to their defense. This might reflect confusion of US capability with Pyongyang’s overestimation of the value of its own nuclear deterrent. This establishes a dangerous dynamic as it forces the US and its allies toward a disproportionate response to alter the DPRK calculus. In such an environment, the only point of convergence for the four actors – the US, Japan, South Korea, and North Korea – is war avoidance.

Of the four, Japan is least affected by this dynamic. Our speaker suggested the biggest issue for the US-Japan alliance when facing regional contingencies is Japan’s avoidance of “the real problem.” Japan’s national defense debates focus on the US force presence rather than the strategic realities that make that presence necessary. More alarming, regional and national

realities – the balance of power and demographics – are eroding Japan’s security position. A hard look at defense options is essential.

ROK conservatives worry that the US deterrent is eroding; the mere fact of DPRK provocations is proof (in their eyes) that Pyongyang is unrestrained by fear of US retaliation. South Korean national security planners also worry that the US is moving toward de facto acceptance of North Korea’s claim that it is a nuclear weapon state and the regional balance of power will be permanently altered to their disadvantage. (American assurances to the contrary have not assuaged this concern.) To change North Korea’s calculus, South Korea is modifying its defense policy; the new policy seems to embrace escalation to deter North Korean provocation. (It only “seems to” because the precise content of the policy isn’t clear.) No one knows if the talk has affected Pyongyang’s thinking but US strategists worry that it could entrap the US in a conflict not of its making.

Our speaker again focused on the need for US reassurance of its allies. Both allies seem to have an accurate appreciation of the circumstances in which the US would use a nuclear weapon. (Our speaker suggested that while allies want the US to *say* it will use nuclear weapons in their defense, they really don’t want the US to *use* nuclear weapons in their neighborhood.) Effective signaling of resolve – to allies and adversaries alike – necessitates greater reliance on regional specialists, who understand the local calculus.

Our US speaker also suggested the US highlight the increasing importance of conventional weapons in support of extended deterrence. Joint exercises are a good way to signal intent and resolve and the US and its allies should not be overly concerned if those exercises are sometimes seen as threatening. Ballistic missile defense is another important tool to show US commitment to the defense of its allies. Of course, the US should also try to engage China more on strategic concerns.

Our Japanese participant believes that the extended deterrent has been effective in Northeast Asia – it prevented escalation after North Korean provocations – but it is difficult to prove that to other parties. That difficulty is magnified by the fact that US alliances in the region are not designed to deter the new range of contingencies that appear on a regular basis – sinking of ROK corvettes, drunken fishermen entering disputed territorial waters, cutting off exports of rare earths, and the like. These cases highlight the need for communications channels to ensure that the two sides are talking and getting clear messages. Plainly, this should be part of a crisis management mechanism.

In contingencies in which Japan is not under attack, there are 40 specific areas in which the US and Japan can cooperate. Pyongyang’s bellicosity and belligerence suggest that it is time for Tokyo and Washington to revisit their burden sharing arrangement in the event of a Korean Peninsula contingency. In the past, Japan has relied on the acquisition of capabilities to show its commitment to national defense; the latest National Defense Program Guidelines illustrate Japan’s new emphasis on demonstrating the *credibility* of those defense capabilities.

Put most simply, Japan and the US are trying to shape the regional security environment by deterring and preventing adversaries from acting – and being ready to respond when they do.

An effective crisis management mechanism is part of this package. But this should be part of a multilayered approach, one that tailors responses to the particulars of each contingency. In this framework, two verities stand out. First, China's overall status is not clear. It is a competitor in some areas, a collaborator in others. Crafting a strategy and the consequent messaging to accommodate those various roles will not be easy. Second, and most pertinent to our discussions, our Japanese presenter argued that extended deterrence and extended nuclear deterrence are less relevant than in the past.

An accurate assessment of a Korean Peninsula contingency demands attention to each actor. Looking at North Korea, all participants conceded the difficulty of understanding the logic behind Pyongyang's behavior. Even when acknowledging that the North often signals its actions quite clearly, the logic and processes by which decisions are made is opaque. Deterring an adversary is difficult (if not impossible) when we do not understand/appreciate/accept its thinking. The usual difficulties are exacerbated during a political transition as is occurring after the death of Kim Jong Il. Participants reminded the group of several certainties, however. First, the North Korean leadership knows that it will lose a war with the US. Second, while allies may entertain doubts about the US commitment to use its nuclear arsenal in their defense, Pyongyang's constant harping about the US nuclear umbrella suggests it has no such uncertainty.

China is the second major player in a Korean Peninsula contingency. Most participants agreed that Beijing should be the focus of US and allied signaling when dealing with Pyongyang. Several speakers noted that President Obama's warning to China that he would back Seoul if it responded forcefully to Northern provocations sobered Hu Jintao. While there are genuine limits to Chinese influence in North Korea, there is no indication that they have been tested.

While all participants applauded South Korea's determination to respond to North Korean provocations and the solid US backing for Seoul's stand, there was, as suggested, some private concern about the open nature of the ROK response, the prospect of escalation and some worry that it might drag the US into war. Intense US-ROK consultation is demanded, a process that would emphasize the US stake in any South Korean response.

Japanese participants were supportive of stronger US-ROK ties and pleased to see that alliance responding strongly to provocations. There was no hesitation or concern about potential side effects of increased cooperation between Washington and Seoul, nor worries about South Korea beefing up its capabilities to respond to the DPRK. Indeed, one Japanese participant suggested that closer US-ROK cooperation opens the door to similarly enhanced cooperation between the US and Japan. The only discordant note was struck by a Japanese participant who felt that Tokyo and Seoul appear to be diverging on threat perceptions: Japan is more worried about China and South Korea is more concerned about North Korea. (Remember, however, that in a previous panel another Japanese participant identified North Korea as a "real and actual threat," while China was more "theoretical.") He urged all three countries to consult as national governments revised defense guidance, guidelines, and policies.

(A US participant reminded the group that these positive words notwithstanding, suspicion and mistrust continue to dominate relations between Japan and the ROK. The two governments have failed to agree (beyond the most superficial level) on security threats and

responses. Ill will still poisons official relations and one incident after another churns the bilateral relationship.)

As ever, we returned to first principles. Effective deterrence requires an accurate understanding of who is being deterred and what specific action is to be prevented. As far as the US-Japan alliance is concerned, it is a complex matrix, with various actors capable of committing a range of acts (sometimes different actors can do the same thing; different responses are still required). Moreover, it isn't at all clear that what we (the US, Japan, and the ROK) consider a provocation is considered a provocation by the provocateur.

## **The Future of the US-Japan Alliance**

So what is to be done? Our final session explored ways to strengthen the US-Japan alliance to promote regional peace, stability, and prosperity and ensure that the two countries – and the international system – are ready to deal with new security threats and challenges. Our Japanese presenter began with an overview that summarized much of the preceding two days of discussion. He highlighted the changing international order, a transformation that is occurring as a result of the emergence of new regional powers with distinct ideas about the norms, principles, and procedures by which international relations should be conducted. Dealing with that divergence of perspectives is made more difficult by new and diverse threats and challenges. Hanging over this evolution is a seeming shift in perceptions of the US role and status in the world. Our presenter warned that outsiders are no longer certain that US leadership can be guaranteed as China emerges as a new regional power and global player.

A critical element shaping both perceptions and reality are US alliances. Those alliances have been key to maintaining international order; those allies have been major beneficiaries of that order as well. For our speaker, US alliances in Asia and NATO have served as international public goods since the end of the Cold War. He suggested that the US and Japan redefine their alliance as that of two leading status quo powers and they publicly announce that they will use their alliance as an international public good to maintain order.

This process would of necessity utilize the many tools in the two countries' diplomatic toolbox; military power is not sufficient by itself to preserve the liberal world order. But they would keep the military component in the forefront so that there will be no mistaking their intent and resolve. Moreover, they need to keep military power – and strengthen their military cooperation – to hedge against negative developments in China's rise. (Our speaker acknowledged that China is no traditional, conventional military threat and the proper response to its rise encompasses a panoply of responses.)

Critical to the success of this endeavor is attracting other states to join. This demands a nuanced strategy that embraces a range of tools and techniques; especially important is "collective soft power." Our speaker suggested a functional focus on freedom of navigation and a geographic focus on the maritime states of the Indo-Pacific region.

Japan and the US have a long list of things to do, but the overarching concern is Japan's capacity to implement anything. Our speaker credited Prime Minister Noda for providing



consistency and stability to the relationship, but he is still hobbled by a party that has little experience governing, is internally divided, and faces an entrenched opposition and a cynical public. The Noda government has made some important and hard policy decisions: there is a tentative approval to move forward with TPP, the arms exports principles have been revised, and the SDF have been dispatched to South Sudan. He is attempting “to break away from the politics of indecision” but the obstacles remain formidable.

Our US presenter focused on near-term tasks, noting that 2012 is an especially critical year for the alliance with leadership changes throughout the region. The DPRK actually anticipated the changes of this year with the death of Kim Jong Il, and that nation is orchestrating a transition while the rest of the world watches and tries to figure out if appearances and reality align. The ROK has two elections in 2012 and a shift to the left is expected. The impact of that swing is unclear, but real changes could occur – if the threat to withdraw from KORUS is any indication. In China, questions swirl around the fifth generation of leadership and how Xi Jinping will govern. While most Asia experts believe that US policy toward the region has been remarkably consistent across administrations, there remain worries about shifts triggered by the advent of a GOP administration, personnel turnover in a second Obama administration, and the broader pressures that both will face. And like our Japanese presenter, our US speaker wondered whether Prime Minister Noda can keep a lid on the pressures mounting in Japan.

Dealing with China tops the list of alliance concerns. Beijing remains convinced that the US and other countries that challenge its priorities aim to encircle and contain China and deny it its rightful place in the region. The growing power of the PLA is troublesome, not least because there is little transparency about its role in Chinese domestic politics (the insistence of political leaders that they control the gun, notwithstanding). Cross-strait relations have calmed and appear to be on the right trajectory. Nonetheless, Beijing continues to lay down markers regarding its red lines and “core interests.” All troubling tendencies are likely to be exacerbated during a political transition: assertions of national interest (and cruder forms of nationalism) are often handmaidens of such changes. Frictions with the US are also likely to be amplified during the US election campaign.

Then there is North Korea. The Six-Party Talks remain paralyzed, and are likely to remain so as the power transition continues in Pyongyang and the US refuses to move from its previous position. (A new government in the DPRK is unlikely to move from established policies for some time; the new leadership doesn’t have the legitimacy to deviate from established positions.) There is almost no one who believes that the North will denuclearize as called for in the Sept. 19, 2005 Joint Statement. But that doesn’t mean that negotiations are useless. Instead, they can be used to buy time, change the scope of the problem, freeze programs, articulate new incentives, and test the new leadership. Plainly, a new approach is needed, however. But the US and its allies must make clear to the world that the failure of the talks is not their fault. In so doing, by demonstrating a readiness to deal, they can help forge a consensus on a tougher approach. The great unknowns are the strength and resilience of the new North Korean regime. While it has proven to be a mistake to bet on its collapse, questions persist and it is right to prepare for the unexpected. The US and Japan should be working together to try new approaches and prepare for various contingencies, including a North Korean collapse.

Effective coordination will demand ROK involvement. Walking in lockstep with Seoul sends the right message to Pyongyang and reassures the government in Seoul that it has a reliable partner in Washington. Of course, consultations enhance the ability of the US and its allies to respond, as well as send a signal to China about common resolve and purpose.

The US and Japan should also be reaching out to other allies and partners, in particular Australia, India and Southeast Asia. Apart from ensuring a shared understanding of concerns and perspectives, this too will signal China about appropriate behavior and the response to its provocations. Of course, Washington and its allies should prompt Chinese paranoia and should remain equally attentive to opportunities to cooperate with Beijing. Above all, the US should not force other regional governments to choose between Washington or Beijing.

As a bonus, Pacific Forum Young Leaders outlined a proposal for US-Japan-Vietnam trilateral cooperation. This proposal is the result of extensive consultations with Vietnamese officials and experts in Hanoi and has been presented to the three governments. It calls for maritime capacity building in Vietnam, along with the launch of a trilateral track 1.5 security dialogue and a trilateral exchange program for security fellows at national think tanks. The proposal aims to promote burden sharing, initial steps toward networking with third parties, and increasing recognition of the alliance as a regional public good.

Most of the group endorsed the idea of engaging additional allies and partners. Networking the alliance increases efficiencies, helps build capacity, and helps other regional governments better appreciate the value of the alliance as a public good. A Japanese participant argued that it is more convenient for Japan to engage Southeast Asian nations as a US ally. Another Japanese participant pointed out that Tokyo is already working – alone and with the US – to build capacity in the region, highlighting recent efforts with the Philippines. (He added that reform of arms export principles will make this job easier.) Japan is also working with Australia to train its forces and a trilateral US-Japan-India dialogue is underway. Several participants endorsed putting nuclear energy issues, and nuclear safety and security concerns, on the agenda for US-Japan discussions with emerging powers, and Vietnam in particular.

One dissenter argued that the US-Japan alliance shouldn't go abroad in search of dragons to slay. Instead, the two governments should focus on security concerns closer to Japanese shores and in Northeast Asia. Another US participant suggested that the two countries focus their hard power resources on the immediate neighborhood and use their soft power to influence developments farther away.

All participants conceded that any attempt to expand the scope of the alliance or link it to other allies and partners is sure to trigger Chinese protests and charges of encirclement. A participant predicted that as soon as a trilateral materializes, Beijing will oppose it and deter others from joining. A Japanese participant countered that trilateral cooperation is in the interest of the US and Japan and that should be the guiding rationale; if China is comfortable with arrangements, then the two countries have considerable room to maneuver. Thus, for him, the key is making China feel less uncomfortable.

It is worth noting that Iran surfaced here as a subject of some contention. In previous years, US participants have pressed Japanese colleagues to appreciate the importance of a unified position when dealing with Tehran, implicitly suggesting that Tokyo is not pressing that regime hard enough to abide by its nonproliferation commitments. This year, a Japanese participant agreed that the issue of sanctions against Iran loom large for the alliance but charged the US was not consulting sufficiently with Tokyo. Another Japanese participant parried that allegation, saying that the Japanese government was as ‘surprised’ by developments regarding Iran as was the US. The challenge for him will be what happens if there is a military confrontation.

The most depressing topic when discussing opportunities for alliance cooperation was South Korea. This group is acutely aware of the desirability of US-Japan-ROK cooperation. This group is equally conscious of the obstacles. And sadly, they seem to be increasingly formidable. The problems are well known: history, “comfort women,” territorial disputes, etc. Japanese participants implored the US to get South Korea to engage Japan more seriously. (Americans insisted they do.) Americans pressed Japan to develop more creative and sensitive strategies to address thorny, but emotionally powerful issues. Both sides need to make fundamental changes in their thinking and policies; the US has a limited role to play. More worrisome is the consensus view that anticipated changes in South Korea after this year’s election will make finding common ground between Tokyo and Seoul harder still. Those shifts are also likely to widen gaps in Japanese and South Korean threat perceptions. As this report makes clear, there already appears to be a divergence when defining and prioritizing threats.

A wild card in Tokyo-Seoul relations is the US-ROK civilian nuclear agreement. South Korea uses Japan as a benchmark as it pushes for the right to reprocess its spent fuel. It isn’t clear how hard a line the US will take in these negotiations and where the ultimate agreement will come down. It is worth noting that the hardliners on this issue in the ROK are the conservatives and they could very well be out of power when the deal is concluded. Japanese have indicated some sensitivity to a deal that gives the ROK the ability to reprocess. This has the potential to influence all three relationships.

A Japanese participant noted that in the aftermath of March 11 and the extraordinary response by the US, the SDF, and Operation Tomodachi, there is great attention on the operational level of the US-Japan alliance. For him, “alliance management saved the overall bilateral relationship.” This renewed attention on the nitty gritty of alliance mechanics is invaluable. The severity of the March 11 tragedy and the scale of the response also underscored the need for a whole of government approach in Japan to crisis response. American ears hear echoes of ‘smart power.’

This is a critical development at a time when, as a US participant reminded the group, changes in US defense policy and the reduced reliance on nuclear weapons, give US allies an opportunity (if not an obligation) to do more for the alliance and the extended deterrent. Japan needs to think about ways that it can contribute to the alliance, and affirm its commitment to the bilateral relationship. By increasing its contributions, Japan can thicken the web of relations that bind it to the US, making it even more difficult for adversaries to divide the two. In other words, Tokyo has the ability to reassure itself about the depth of the US commitment to its defense by making the allies inseparable. This effort would also strengthen the deterrent.

While intuitive, this goes against many Japanese instincts. As a US participant pointed out, the Japanese tendency in a crisis is to focus on what it can't do, rather than what it can. Tokyo is plainly working to overcome that reflex, but it will take time. A Japanese participant explained how his country is meeting that challenge. He noted that the changing pattern of US deployments in the region creates new opportunities for cooperation; Japanese forces can join the US as it engages those partners. He pointed out that US-Japan cooperation is being extended to the Indian Ocean – the next US-Japan-India dialogue will be held in April – calling this the “mirror image of the ‘string of pearls.’”

Renewed consultations that ensure its views are respected, a greater sense of ownership of the relationship, and a renewed sense of purpose at a time of great regional change will help change Japanese attitudes. A stronger Japan is an essential element of a robust and resilient US extended deterrent.



## **APPENDIX A**

### **Fifth US-Japan Strategic Dialogue February 6-7, 2012, Maui**

#### **AGENDA**

##### **Sunday, February 5, 2012**

**7:00 Opening dinner**

##### **Monday, February 6, 2012**

**9:00 Welcome remarks**

**9:15 Session 1: Security developments and dynamics**

This session looks at security developments since we last met, focusing on specific issues and incidents. Speakers should explore what has transpired on the Korean Peninsula, in both North and South Korea. What are the prospects after Kim Jong Il's death? How does the North's program to become a "rich and prosperous nation" affect regional relations? Is Pyongyang acting more responsibly? What are the prospects for another North Korean nuclear crisis? What are the implications? Have N-S tensions abated? Why? What is next? What is the impact of elections in the region? How are cross-strait relations? What are their prospects? What is the situation in the South China Sea? Have the East Asia Summit and related multilateral security meetings calmed the waters? Has the withdrawal of US forces from Iraq changed security dynamics? What do participants assess the Iranian nuclear program and its impact on security? Discussion of China apart from its role in specific issues should be withheld until the next session.

US speaker: James Kelly

Japanese speaker: Nobumasa Akiyama

**10:45 Coffee break**

**11:00 Session 2: Strategic assessment**

This session examines views of the balance of power in Asia. How do participants characterize that balance? What role do nuclear weapons play in that balance? What is Japan's net assessment of China? How do the US and Japan view each other's relations with China and what impact does that have on US-Japan relations? How are other countries responding to the rise of China and its status in the region? How does the "US return to Asia" or the "strategic pivot" play in that equation? What are their likely impact? How will the US deployment to Australia and the basing of US ships in Singapore be interpreted?

US speaker: Gordon Flake

Japanese speaker: Masashi Nishihara

**12:30 Lunch**

**13:45 Session 3: Domestic politics: transition and the alliance**

Here we explore the impact of domestic politics on the alliance. Our focus is on how politics affect the credibility of the alliance itself. Do US defense and nuclear budget debates and developments affect views of the US, its credibility and commitment to the region? Will US policy toward Asia, Japan, the alliance, change if a Republican wins the White House? Will a second Obama administration differ from the first? How is the new government in Tokyo handling the alliance? Has stability returned to Tokyo? What is the impact of the March 11, 2011 events on Japanese domestic politics, notably the impact of the Fukushima nuclear accident? Will there be movement on key issues? What is the meaning of the F-35 decision? How does the decision regarding TPP affect the alliance?

US speaker: Weston Konishi

Japanese speaker: Yoichi Kato

**15:15 Coffee break**

**15:30 Session 4: Assessments and implications of deterrence policy**

This session explores military policy. Japanese participants should explain how Japan is implementing “dynamic deterrence,” and issues and concerns accompanying its adoption. What other doctrinal and policy developments are driving Japanese policy? What has been the result of the US review of the Nuclear Posture Review? Has the White House provided guidance? What is it? What are its implications for the alliance?

US speaker: Elaine Bunn

Japanese speaker: Yuki Tatsumi

**17:00 Session adjourns**

**18:30 Dinner**

**Tuesday, February 7, 2012**

**9:00 Session 5: Extended deterrence**

This session explores thinking in each country about what is required to make extended deterrence (ED) work. What are the components of ED? How does ED differ from extended nuclear deterrence (END)? When and how can ED/END be applied? Do requirements change depending on the circumstances – what is being defended, who is being deterred – in specific Northeast Asia contexts? What should the US do to make its ED more credible? What can allies do to increase the credibility of ED?

US speaker: Michael McDevitt

Japanese speaker: Ken Jimbo

**10:45 Coffee break**

**11:00 Session 6: Regional contingencies:**

This session builds upon the previous one to look at the role of ED in specific regional contingencies. Its focus is the Korean Peninsula. Do North Korea’s actions in 2010 mean that deterrence has failed? If so what impact has this had? How would Tokyo react to a Korean contingency that directly involves Japan? Participants should focus on what the

US and Japan can do to make ED more credible on the Korean Peninsula, and the role that US forces in Japan would play in a Korean contingency, as well as the implications for ED and the alliance.

US speaker: David Jonathan Wolff

Japanese speaker: Noboru Yamaguchi

12:30 **Lunch**

13:45 **Session 7: The future of the US-Japan alliance**

This session invites specific recommendations on what the two countries can do to promote regional security and stability, specifically within the context of ED/END, and how these policies can strengthen the alliance. How can the US and Japan tighten their alliance and better cope with future strategic challenges? What role do nuclear weapons play in that equation? What other issues deserve more attention? How can trilateral cooperation between the US, Japan, and the ROK be enhanced?

US speaker: Evans Revere

Japanese speaker: Mataka Kamiya

15:15 **Next steps and recommendations**





## **APPENDIX B**

### **Fifth US-Japan Strategic Dialogue February 6-7, 2012, Maui**

#### **PARTICIPANT LIST**

##### **Japan**

Dr. Nobumasa Akiyama  
Associate Professor, Hitotsubashi  
University;  
Adjunct Fellow, Japan Institute of  
International Affairs

Amb. Masafumi Ishii  
Director, Foreign Policy Bureau  
Ministry of Foreign Affairs

Dr. Ken Jimbo  
Assistant Professor  
Keio University

Mr. Mataka Kamiya  
Professor of International Relations  
National Defense Academy of Japan

Mr. Yoichi Kato  
National Security Correspondent  
*The Asahi Shimbun*

Dr. Masashi Nishihara  
President  
Research Institute for Peace and Security

Ms. Yuki Tatsumi  
Senior Associate  
The Henry L. Stimson Center

Lt. Gen. Noboru Yamaguchi (Ret.)  
Former Commander  
Ground Self Defense Forces  
Research and Development Command

##### **Observer**

Ms. Aya Murata  
Program Officer  
Sasakawa Peace Foundation

##### **US**

Ms. M. Elaine Bunn  
Director, Future Strategic Concepts  
Program  
Institute for National Strategic Studies  
National Defense University

Mr. David Carlson  
Senior Analyst  
PACOM DPRK Strategic Focus Group  
US Pacific Command

Mr. Ralph A. Cossa  
President  
Pacific Forum CSIS

Mr. L. Gordon Flake  
Executive Director  
The Maureen and Mike Mansfield  
Foundation

Mr. Brad Glosserman  
Executive Director  
Pacific Forum CSIS

Dr. Robert H. Gromoll  
Director  
Office of Regional Affairs (ISN/RA)  
U.S. Dept. of State

Mr. David W. Hamon  
Director, Office of Strategic Research &  
Dialogues Strategy and Plans Enterprise  
Defense Threat Reduction Agency

Mr. James A. Kelly  
President  
EAP Associates, LLC

Mr. Weston S. Konishi  
Associate Director of Asia-Pacific Studies  
Institute for Foreign Policy Analysis

Mr. Rob Luke  
Minister Counselor, Political Section  
US Embassy – Tokyo

Dr. Michael S. Malley  
Lecturer, Department of National Security  
Affairs, PASCC/Naval Postgraduate  
School

Adm. Michael McDevitt, USN (Ret.)  
Vice President and Director, CNA  
Strategic Studies, CNA Corporation

Mr. Evans J.R. Revere  
Senior Director  
Albright Stonebridge Group

Mr. Shane Smith  
WMD Center  
National Defense University

Mr. Michael Urena  
Strategic Engagement Division  
Office of Strategic Affairs  
Bureau of Arms Control, Compliance and  
Verification, US Department of State

Mr. Robert J. Vince  
Director, Nuclear Deterrence Policy  
Strategic Arms Control Policy (acting)  
US Department of Defense

Mr. David Jonathan Wolff  
Lead Associate  
Booz Allen Hamilton